

**STATE OF MICHIGAN
DEPARTMENT OF ENERGY, LABOR & ECONOMIC GROWTH
OFFICE OF FINANCIAL AND INSURANCE REGULATION**

Before the Commissioner of Financial and Insurance Regulation

In the matter of:

**Real Benefits Association, and
American Consumers Insurance,**

Enforcement Case No. 09-7339

Respondents.

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Issued and entered
on 7/2/09, 2009
by **Stephen R. Hilker**
Chief Deputy Commissioner

ORDER TO CEASE AND DESIST

The Office of Financial and Insurance Regulation ("OFIR") asserts the following is correct:

1. Section 1201a of the Code, MCL 500.1201(a), states that "[a] person shall not sell, solicit or negotiate insurance in this state for any line of insurance unless the person is licensed for the qualification in accordance with this chapter."
2. Section 402 of the Code, MCL 500.402, states that "no person shall act as an insurer and no insurer shall issue any policy or otherwise transact insurance in this state except as authorized by a subsisting certificate of authority granted to it by the commissioner pursuant to this code."
3. Section 114 of the Code states that "person" as used in this code includes an individual, insurer, company, association, organization, Lloyds, society, reciprocal or inter-insurance exchange, partnership, syndicate, business trust, corporation, and any other legal entity.
4. Section 251 of the Code, MCL 500.251, states that in the reasonable exercise of discretion, the Commissioner may issue a cease and desist order if the Commissioner finds any of the following:
 - (a) A person is conducting transactions of insurance for which a certificate of authority is required by this act without having obtained a certificate of authority.

(b) A person is acting as an insurance agent, solicitor, adjuster, or counselor without a license as required by this act.

(c) A person is engaged in an act or practice in the business or insurance for which authority from or notification to the commissioner is required by this act and the person has not received authority or given notification.

5. Real Benefits Association ("RBA") is an association with locations in New York, New York; Basking Ridge, New Jersey; and Little Rock, Arkansas.
6. American Consumers Insurance ("ACI") is purportedly an insurance carrier offering health insurance coverage.
7. RBA has sold, solicited, and negotiated health insurance coverage and issued certificates of health insurance in the State of Michigan.
8. ACI has sold, solicited, and negotiated health insurance coverage and issued certificates of health insurance in the State of Michigan.
9. RBA is not licensed as an insurance agency in the State of Michigan, nor does it hold a certificate of authority as an insurer in the State of Michigan.
10. ACI is not licensed as an insurance agency in the State of Michigan, nor does it hold a certificate of authority as an insurer in the State of Michigan.

Therefore, pursuant to MCL 500.251, it is **ORDERED** that:

1. RBA and ACI shall immediately **CEASE** and **DESIST** from transacting the business of insurance in Michigan without licensure and/or certificate of authorization, and within 10 days of service of this order, shall acknowledge this order in writing to the Commissioner and shall confirm that it has ceased transacting insurance in this state.
2. Within 10 days of service of this order, RBA and ACI shall provide company records of all insurance policies that it has provided to Michigan consumers.
3. Failure to comply with this order will subject RBA and ACI and its corporate officers to one or more of the following:
 - (a) payment of a civil fine of not more than \$1,000.00 for each violation not to exceed an aggregate civil fine of \$30,000.00. However, for further knowing violations of this order, a civil fine of not more than \$25,000.00 for each violation not to exceed an aggregate civil fine of \$250,000.00 may be assessed.

(b) complete restitution to all persons in this state damaged by the violation or failure to comply.

4. RBA and/or ACI may contest this order by requesting a hearing before the Commissioner not later than 30 days after the order has been delivered or mailed.

OFFICE OF FINANCIAL AND
INSURANCE REGULATION



Stephen R. Hilker
Chief Deputy Commissioner